

the Pink Bollworm Commission from the 72nd Judicial District.

Honorable Dixie Kilgore of Lamesa, Texas, to serve as a member of the Pink Bollworm Commission from the 106th Judicial District.

MARTIN, Chairman.

Adopted.

FOURTH DAY.

Senate Chamber,
Austin, Texas,
August 30, 1934.

The Senate met at 10 o'clock a. m., pursuant to adjournment, and was called to order by Lieutenant Governor Edgar E. Witt.

The roll disclosed a quorum, the following Senators being present:

| | |
|-----------|-------------|
| Beck. | Oneal. |
| Blackert. | Pace. |
| Collie. | Parr. |
| Cousins. | Patton. |
| DeBerry. | Poage. |
| Duggan. | Purl. |
| Greer. | Rawlings. |
| Holbrook. | Redditt. |
| Hopkins. | Regan. |
| Hornsby. | Sanderford. |
| Martin. | Small. |
| Moore. | Stone. |
| Murphy. | Woodruff. |
| Neal. | Woodul. |

Absent—Excused.

Fellbaum. Woodward.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Stone.

Petitions and Memorials.

(See Appendix.)

Committee Reports.

(See Appendix.)

Bills and Resolutions.

Senate Resolution No. 5.

Senator Pace sent up the following resolution:

Whereas, Hon. E. M. Davis of Brownwood, Senator-elect from the Twenty-fifth Senatorial District, and Hon. Earl M. Greer, former Senator from the Seventh Senatorial District-

are in the Hall of the Senate; therefore, be it

Resolved, That they each be extended the privileges of the floor and each be invited to briefly address the Senate.

PACE.

Read and adopted.

The Chair appointed Senators Pace and Beck to escort the Senators to the platform, where each briefly addressed the Senate.

Senators Excused.

On motion of Senator Small, Senator Woodward was excused for the day and the balance of the week, on account of important business.

Senator Cousins was excused on motion of Senator Redditt, on account of illness.

Message From the Governor.

The Chair recognized the Doorkeeper, who introduced a messenger from the Governor with the following message:

Executive Office,

Austin, Texas, Aug. 30, 1934.

To the Forty-third Legislature in Third Called Session:

By request, I hereby submit for your consideration a bill hereto attached, to be entitled

"An Act validating certain bonds and the tax levies made for the payment thereof issued by certain independent school districts (created by Special Act) where the proceedings for the election to issue such bonds and levy such tax were irregular or defective, in that no petition or legally sufficient petition was filed requesting such election, or where the order or resolution of the governing body calling such election, and the notice given of such election, did not specify the maturity dates of the bonds to be issued; and declaring an emergency."

Respectfully submitted,

MIRIAM A. FERGUSON,
Governor of Texas.

The message was read.

Bill Signed.

The Chair, Lieutenant Governor Edgar E. Witt, gave notice of signing, and did sign, in the presence of the Senate, after its caption had been read, the following bill:

H. B. No. 2.

H. C. R. No. 2.

The Chair laid before the Senate the following resolution:

H. C. R. No. 2, Inviting the Hon. James V. Allred, Democratic nominee for Governor of Texas, to address a joint session of the House of Representatives and the Senate.

Senator Oneal made a motion to recommit H. C. R. No. 2 to the Committee on State Affairs.

The motion was adopted.

H. C. R. No. 3.

The Chair laid before the Senate the following resolution:

H. C. R. No. 3, Relative to Hon. William McCraw addressing joint session of the Legislature was adopted as amended.

S. C. R. No. 2.

Senator Hornsby sent up the following resolution:

Whereas, Captain D. W. Roberts, the oldest living Ex-Texas ranger is now past 93 years of age and in a helpless and destitute condition, and is badly in need of relief; and,

Whereas, The Honorable Henry Hutchings, Adjutant General of the State of Texas, has stated that if the Legislature will authorize him to put Captain Roberts' name on the State's payroll at \$50.00 per month, he could pay it out of the appropriation made for his Department as "expenses of Adjutant General enforcing the laws, making investigations and to employ men other than rangers when necessary"; therefore, be it

Resolved by the Senate of the State of Texas, the House of Representatives concurring, That Adjutant General Henry Hutchings be and he is hereby specially authorized to place the name of Captain D. W. Roberts on his payroll at the rate of \$50.00 per month to be paid out of the appropriation herein specified.

HORNSBY.

Read and referred to the Committee on Finance.

S. R. No. 6.

Senator Woodruff sent up the following resolution:

Whereas, The Honorable Miriam A. Ferguson, Governor of Texas, has called the Forty-third Legislature

into extraordinary session, by proclamation issued August 27, 1934; and,

Whereas, In said proclamation Her Excellency, the Governor, has set out that the economic conditions existing in Texas at this time with the resultant unemployment make it necessary to provide additional State funds with which to defray the cost of furnishing relief to those of our citizenship in destitute and necessitous circumstances; and

Whereas, There has been expended for such purposes within this State large sums of money both by the State and Federal governments and incident thereto those officially managing such expenditure have had to gain much valuable information with reference to the efficient and economic administration of such relief funds and are in a position to furnish such information to the Legislature and to the Governor at this time bearing upon the question of whether or not the present statutes of this State are sufficient to provide for the disbursement of any relief thus provided for the future; therefore, be it

Resolved by the Senate of the State of Texas, That the Senate do now resolve itself into a committee of the whole Senate for the purpose of inquiring into the adequacy of the present statutes to regulate properly the administration of the relief funds of Texas and into any and all other matters pertaining thereto, which, in the judgment of said committee of the whole Senate, might be constructively useful in the discharge of its duties under the call of the Governor; and, be it

Resolved Further, That the Lieutenant Governor shall appoint and designate some member of the Senate to be chairman of said Committee of the Whole Senate and shall also appoint a secretary, and both said chairman and secretary shall have the power to administer oaths and/or affirmation and said chairman shall also have all powers with respect to subpoenaing witnesses, compelling their attendance, hearing their testimony, of a judge in a judicial district court of this State; and, be it

Resolved Further, That said Committee of the Whole Senate be and is hereby authorized to employ such clerks, expert secretaries and other assistants as shall be deemed neces-

sary to conduct said inquiry and to pay mileage and witness fees to said witness subpoenaed for testimony before such committee, all of which compensation for services, mileage and fees of witnesses and other expenses incident to said inquiry be paid out of the Contingent Expense Fund as other Senate expenses and charges are paid; and, be it

Resolved Further, That said Committee of the Whole Senate hear such testimony of citizens of the State of Texas as to the equity and efficiency of the administration of Federal and State relief funds in Texas as to said committee may seem advisable; be it

Resolved Further, That said Committee of the Whole Senate sit Monday, September 3, 1934, at 2 p. m., for the foregoing purposes, and from day to day thereafter as shall be deemed necessary.

WOODRUFF.
HOLBROOK.
ONEAL.

S. R. No. 6 was read and Senator Woodruff moved that the rules requiring resolutions to be sent to a committee be dispensed with and S. R. No. 6 was adopted.

The Chair appointed Senator Murphy as chairman of the Committee of the Whole Senate.

By unanimous consent, Senator Purl was appointed secretary of the Committee of the Whole Senate.

Senator Martin asked to be recorded as voting "no" on S. R. No. 6.

S. C. R. No. 3.

Senators Redditt and Holbrook sent up the following resolution:

Authorizing State Highway Department to Mark Places of Historic Interest.

Whereas, Texas, by virtue of her vivid and colorful past, is rich in historic tradition; and,

Whereas, Texas, in 1936, will celebrate, by means of a great Texas Centennial, the one-hundredth anniversary of her existence as a sovereign Nation and State; and,

Whereas, The Texas Centennial will attract people in large numbers who will view the sacred and hallowed Alamo, the battlefield of San Jacinto, and many other shrines dear to the hearts of Texans; and who

will observe that the early pioneers wrought wondrously in making of Texas a State of the first magnitude; and,

Whereas, Many of the historic places of Texas are contiguous to her State highways; now, therefore, be it

Resolved by the Senate, the House of Representatives concurring, That the State Highway Department be authorized to mark, with appropriate design, those places of historic interest which are adjacent to, or within sight of State highways, and to erect upon said highways guides indicating to the traveling public the location of such places.

REDDITT.
HOLBROOK,

Read and adopted.

Senate Resolution No. 6.

Senator DeBerry sent up the following amendment to S. R. No. 6:

Amend S. R. No. 6 by changing date from Monday to Friday August 31 at 10 o'clock.

Read and adopted unanimously.

S. R. No. 6 as amended was adopted.

Senate Bill No. 2.

Senator Rawlings called up S. B. No. 2:

S. B. No. 2, A bill to be entitled "An Act ratifying, confirming and validating all bond and tax elections and the proceedings therein and preliminary thereto and the bonds issued or to be issued in pursuance thereof and the tax levies made and to be made for the payment of such bonds in all cases where any such bond and tax election has heretofore been held in any independent school district (created by special Act or under the General Law) or in any common school district, and where the proposition for the issuance of such bonds and the levying of such tax has carried at such election, and where the proceedings for any such election were irregular or defective in that no petition, or no legally sufficient petition, was filed requesting the ordering of such election, or in that the order or resolution of the board of trustees or board of education or other governing body calling such election and the notice given of such election and the proposition submitted at such election for

the issuance of the bonds, either or all, did not specify or distinctly specify the maturity dates of the bonds to be issued, or where there was any other irregularity or defect in or connected with such election or the proceedings preliminary thereto; and declaring an emergency."

Senator Rawlings offered a substitute bill with caption amended to conform to the body of the bill. The motion to amend was unanimously adopted.

Amendment No. 1.

Amend S. B. No. 2, by striking out all above the enacting clause and inserting in lieu thereof the following:

"An Act ratifying, confirming and validating bond and tax elections and the proceedings therein and preliminary thereto and the bonds issued or to be issued in pursuance thereof and the tax levies made and to be made for the payment of such bonds in cases where such bond and tax election has heretofore been held in any independent school district (created by Special Act), and where the proposition for the issuance of such bonds and the levying of such tax has carried at such election, and where the proceedings for such election were irregular or defective in that no petition, or no legally sufficient petition, was filed requesting the ordering of such election, or in that the order or resolution of the board of trustees or board of education or other governing body calling such election and the notice given of such election and the proposition submitted at such election for the issuance of the bonds, either or all, did not specify or distinctly specify the maturity dates of the bonds to be issued; and declaring an emergency."

RAWLINGS.

Amendment No. 2.

Amend S. B. No. 2, by striking out all below the enacting clause, and inserting in lieu thereof the following:

"Section 1. Where an election has heretofore been ordered, held and carried in an independent school district (created by Special Act) for the purpose of authorizing the issuance of the bonds of such school district

the levying of a tax for the payment of said bonds, and there has been in the proceedings preliminary to such election either of the following two irregularities, to-wit, (1) the absence of a petition, or the filing of a defective petition, to the governing body of such independent school district asking for the calling of such election, and (2) a failure to state, or distinctly state, in the order calling such election and/or in the notice given of such election and/or in the proposition submitted at such election for the issuance of the bonds, the maturities of the bonds to be issued, such elections and such proceedings preliminary thereto and the bonds issued or to be issued in pursuance thereof and the tax levies made and to be made for the payment of such bonds are hereby ratified, confirmed and validated, and such bonds are hereby constituted the valid obligations of such independent school district, notwithstanding the irregularities above referred to; provided, however, that nothing contained in this Act shall be held to waive or destroy any defenses against the validity of such bonds other than those based upon the two irregularities hereinabove specified.

"Sec. 2. The great importance of this Act and the fact that extensive programs for the construction of school buildings are being delayed, hindered and imperilled by the irregularities mentioned in Section 1 hereof, by reason of the obstacles thus presented to the sale of such bonds to the Public Works Administration of the United States Government and others and to the making of grants by such Public Works Administration, and the further fact that the speedy removal of such obstacles by this Act will be a great and immediate help in the relief of unemployment and in the stimulation of manufacture, business and industry, create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be and the same is hereby suspended, and that this Act shall take effect and be in force from and after its passage, and it is so enacted."

RAWLINGS.

The bill was read second time and passed to engrossment.

On motion of Senator Rawlings, the constitutional rule requiring bills to be read on three several days was suspended and S. B. No. 2 was put on its third reading and final passage by the following vote:

Yeas—27.

| | |
|-----------|-------------|
| Beck. | Pace. |
| Blackert. | Parr. |
| Collie. | Patton. |
| DeBerry. | Poage. |
| Duggan. | Purl. |
| Greer. | Rawlings. |
| Holbrook. | Redditt. |
| Hopkins. | Regan. |
| Hornsby. | Sanderford. |
| Martin. | Small. |
| Moore. | Stone. |
| Murphy. | Woodruff. |
| Neal. | Woodul. |
| Oneal. | |

Absent—Excused.

| | |
|-----------|-----------|
| Cousins. | Woodward. |
| Fellbaum. | |

Read third time and finally passed by the following vote:

Yeas—27.

| | |
|-----------|-------------|
| Beck. | Pace. |
| Blackert. | Parr. |
| Collie. | Patton. |
| DeBerry. | Poage. |
| Duggan. | Purl. |
| Greer. | Rawlings. |
| Holbrook. | Redditt. |
| Hopkins. | Regan. |
| Hornsby. | Sanderford. |
| Martin. | Small. |
| Moore. | Stone. |
| Murphy. | Woodruff. |
| Neal. | Woodul. |
| Oneal. | |

Absent—Excused.

| | |
|-----------|-----------|
| Cousins. | Woodward. |
| Fellbaum. | |

Resolution.

Senator Moore sent up the following resolution in the absence of Senator Cousins, to be read and printed in the Journal. It was read and referred to the Committee of the Senate as a whole.

Of the Veterans Club of America, adopted at a meeting especially called for that purpose Tuesday, August 21, 1934:

Whereas, The Veterans Club of America, the membership of which is comprised of soldiers who served this country in the various wars in which the United States have been involved, and who are pledged under oath to defend the constitution and the laws of this State and the Nation and the Flag of this Republic against enemies of every form within and without the confines of the United States, and

Whereas, The State and Federal governments have set up a form of direct relief to the thousands of unemployed citizens of this Republic in this unprecedented season of economic depression, and vast sums of money out of the public treasury have been set aside to finance this vast system of relief to our distressed citizenship, and great sums of public money have already been expended in the administration of unemployment relief, not only in Orange county but throughout the State and Nation, and

Whereas, This club is in most hearty sympathy with the purposes of the President of the United States in setting in motion this stupendous effort to afford needed relief to the unfortunate victims of this unprecedented period of business depression and economic distress and we declare that we are ready to do all in our power to cooperate with the administration and aid in the promotion of any laudable and honest effort to lift the burden of distress that now so heavily rests upon the backs of the great mass of our fellow countrymen, and to that end we will ever strive, but we are unwilling to further stand quietly by and acquiesce in the use of the public funds, set aside for the relief of our distressed people, in the promotion of selfish personal interests and to fatten the pockets of those who are in no need of public assistance and whose sole interest in the relief situation lies in the gratification of an unholy desire for personal gain and the fattening and swelling of their own private fortunes at the expense of the masses who need and deserve financial relief at the hands of an appreciative and benevolent government. We further declare our unalterable opposition to the use of the relief machinery in this county and State for the promotion and fostering of personal official

ambitions of individuals aspiring for public office, municipals, county, State and National, and

Whereas, Information which we deem reliable and unimpeachable leads us to the firm belief that the funds set aside by our government for relief purposes and the machinery set up for the administration of relief in this city, county and State have been quietly used for the promotion of the political interest of certain candidates for municipal, county and State offices, and further, that the relief machinery of this county has been flagrantly used for the promotion of certain business interests of this section.

Whereas, It is openly charged by many reputable citizens of this city and county who declare their willingness to support such charge, under oath, that the relief machinery of this county under the control and direction of the county administrator was formed as the result of a political plot. That the appointment of the county administrator was made at the dictates of a political group with the purpose in view of fostering the political ambitions of certain individuals inside and out of the county relief commission and for the promotion of certain business interests at the expense of the government and detrimental to the interests of those for whom the relief was intended. It is openly charged, and we are constrained to believe the charge is true, that the county relief commission is comprised of the adherents of a political faction in this city, county and State and were so appointed in order that selfish purposes, business and political interests could thus be best served. It is further charged, and we believe it true, that the personnel of the office of the county administrator, has been largely made a family affair; that the case workers and clerical positions all come, with few exceptions, from the families of those prominent in business and social life of the town and county and who form the business and political combine who control the affairs of the county relief commission and who dictate and direct the policy and activities of the county administrator, whose wife is supervisor of case workers and whose daughter has, or did hold, a clerical position in the

office of the county administrator. It is charged, and we believe justly so, that competent workers, clerical and otherwise, have been denied positions in the office of the county administrator, and such positions given out to those who do not need employment and come from homes of business associates.

Whereas, It is openly charged here and not denied that the operation of the government relief beef canning plant, in this city, under the control of the county administrator, is so inefficiently managed that there is a willful waste, not to say criminal waste, of valuable food supplies, paid for at government expense. That thousands of pounds of valuable and wholesome food supplies, sorely needed by the poor and unemployed men and women of this country, are carted off daily to be burned in the municipal incinerator. It is charged, and we believe truthfully so, that at least three or four thousand pounds of this valuable food product is thus destroyed, wantonly, every week, without any reasonable excuse for so doing. That this willful and inexcusable waste of wholesome food at a time when hundreds of our people are suffering from the pangs of hunger and want is highly reprehensible and merits severe rebuke and punishment at the hands of the government. To express it, mildly, we may say that the evidence of ignorance and inefficiency in the handling of this canning plant is patent to all and we most solemnly demand that this evil be abated at the least possible delay.

Whereas, It is openly charged and not denied that the foreman in charge of the canning plant, and under whose direction most of the workers labor, is constantly under the influence of liquor, and is responsible for the use and distribution of quantities of intoxicants among the workers at the plant, thus causing inefficiency of his own work and confusion and discord among the laborers under his direction and control. That his attitude towards the good women workers in the plant is often uncouth, abrupt and offensive. It is openly charged and we believe it true that the facts herein stated is known to the county administrator and also to the Mayor of Orange County and County Judge of Orange County. It is

charged that these officials, when complaints have been made of this abuse of power and authority, such protests have been contemptuously disregarded, thus demonstrating contempt for public morals and public opinion. It is openly charged and we do not believe the charge can be truthfully denied, that the many good and splendid women who are employed at the canning plant, are forced to use the same toilet and wash rooms used by the male employees, white and black alike, without discrimination as to sex, color, and condition of life, respectability or otherwise. We most earnestly demand that this evil be at once removed.

Whereas, It is charged here, and the charge can be proven by competent evidence that on Tuesday morning, August 7, 1934, Mr. Corey, who has been employed in the office of the county administrator and is now supervisor of rehabilitation work in Orange county, went to the relief canning plant, in the absence of the county administrator, and called all the employees of said plant around him and declared to them that a petition calling for the dismissal of certain leaders in the county relief work from their positions was in circulation. He must have known at the time that there was no such petition in circulation. He declared to said employees that the relief canning plant was a gift to the people from the County Judge and the Mayor of the City of Orange, and such gift should be appreciated by the people of the county, especially by those employed at the plant and support given to the men who gave it. He also declared that the county administrator was the sole authority over the plant and he did the hiring and firing, and advised said employees if they valued their jobs they would refrain from signing any such petition, thus by implication seeking to intimidate said employees and prevent their free expression of their will at the ballot box, and also prevent expression of disapproval of practices violative of the laws of the land and of the will and desire of the President of the United States. We demand that those responsible for such illegal and corrupt practices be removed from such places of authority or so re-

remanded that they will refrain from such things in the future. Therefore, be it

Resolved, That we, the Veterans Club of America, at Orange, Texas, do hereby demand that these charges be thoroughly investigated by the proper authority, legislative or otherwise. That this serious matter be brought to the attention of the State Relief Commission at once. Also that copies of these resolutions be mailed to the President of the United States, to the Governor of Texas, the Lieutenant Governor, the Speaker of the House of Representatives and to our Representatives in the Legislature.

JOE SCOTT, President.

ADOLPH STINIEL, Secretary.

S. C. R. No. 4.

Senators Poage and Greer sent up the following resolution:

Whereas the distinguished junior Senator in this State is one of the outstanding figures in the National Administration; and,

Whereas, He is now in Texas and will be with us for several weeks before returning to the National Capitol; and,

Whereas, He is in a position to advise this Legislature on the attitude of the Federal Government in various matters now pending before us; now, therefore, be it

Resolved by the Senate of Texas, and the House of Representative concurring, That an invitation be extended the Honorable Tom Connally of Falls County, Marlin, Texas, address a joint session of this Legislature at such time as may meet with his convenience.

POAGE.

GREER.

Read and adopted.

S. C. R. No. 1.

Senator Redditt sent up the following resolution:

Be it resolved by the Senate of the State of Texas, the House of Representatives concurring:

That the Commissioner of the General Land Office be authorized to permit the United States Forest Service, now engaged in the reforestation and conservation of the pine forests of East Texas, to make examinations of the records of the General Land Office free of charge, and to compile such sketches as may be required for a resurvey of the areas

involved, the work to be done under the supervision of the Commissioner of the General Land Office; and that the said commissioner be required to furnish translations of such titles and copies of such patents as may be required to pass titles to the land within the reforestation areas, such copies to be supplied free of charge.

Provided, that the employees of the United States Forest Service be subject to the rules and regulations of the Land Office, and the pains and penalties of the Penal Statutes controlling its operations.

REDDITT.

Read and adopted.

Recess.

On motion of Senator Holbrook, the Senate at 11:05 o'clock a. m., recessed until 2:30 o'clock p. m.

After Recess.

The Senate met at 2:30 o'clock p. m., pursuant to recess, and was called to order by Lieutenant Governor Edgar E. Witt.

Senate Bill No. 3.

Senators Hornsby and Holbrook sent up the following bill:

S. B. No. 3, A bill to be entitled "An Act creating Colorado River Authority, a governmental agency, body politic and corporate, as a water control and conservation district under Section 59 of Article 16 of the Constitution, for the purposes therein set out, without power of taxation, and without power to create any debt payable out of taxation, or to pledge the credit of the State; defining the powers thereof; the purposes, powers and authority of said district, authorizing the storing, controlling, conservation, and distribution of the waters of the Colorado River and its tributaries, for irrigation, domestic, industrial and municipal uses, and the development, generation, distribution and sale of water power and electric energy, with authority to make contracts, leases and agreements; providing for the preservation of the priority of existing water rights and control by the State Board of Water Engineers over the use of water by said district; providing for a board of directors to manage the affairs of said district, under the control of the State Board

of Water Engineers, and for the selection of a secretary, general manager, engineers, attorneys, and other agents and employees; setting out the domicile of said corporation and providing for the keeping of records thereof; providing for acquiring, constructing, maintaining, and operating of all necessary properties, lands, rights, easements and improvements, and conferring the authority of eminent domain; authorizing such district to borrow money and to issue obligations in payment of money borrowed or of property acquired, and prescribing the terms and conditions of the issuance of such obligations, and the pledging of the property and income of the district to secure the payment thereof; prescribing all necessary details; providing that if any of the provisions of this Act shall be invalid, the validity of the other provisions thereof shall not be effected; and declaring an emergency."

Read and referred to the Committee on Mining, Irrigation and Drainage.

Executive Session.

Senator Martin made the motion that the Senate at 2:50 o'clock p. m. go into executive session. The motion prevailed.

Adjournment.

Senator Woodruff, at 3:30 o'clock p. m., moved that the Senate be adjourned until 10 o'clock Friday morning.

APPENDIX.

Committee on Engrossed Bills.

Committee Room,

Austin, Texas, August 30, 1934.

Hon. Edgar E. Witt, President of the Senate.

Sir: We, your Committee on Engrossed Bills, have had S. B. No. 2 carefully examined and compared and find same correctly engrossed.

REGAN, Chairman.

Committee Reports.

Committee Room,

Austin, Texas, August 29, 1934.

Hon. Edgar E. Witt, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred

H. C. R. No. 3, Extending an invitation to the Honorable William McCraw, Democratic nominee for Attorney General of Texas, to address the House of Representatives and Senate in joint session either at the time that the Honorable James V. Allred, Democratic nominee for Governor of Texas, addresses such joint session, or at such time as may be convenient to Mr. McCraw.

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, with committee amendment, and be printed in the Journal.

HOPKINS, Chairman.

Committee Room,

Austin, Texas, August 29, 1934.

Hon. Edgar E. Witt, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred

H. C. R. No. 2, Extending an invitation to the Honorable James V. Allred, Democratic nominee for Governor of the State of Texas, to address the joint session of the House and Senate in the Hall of the House of Representatives at such time as may be agreeable to him.

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed in the Journal.

HOPKINS, Chairman.

Committee Room,

Austin, Texas, August 29, 1934.

Hon. Edgar E. Witt, President of the Senate.

Sir: We, your Committee on Public Land and Land Office, to whom was referred

S. C. R. No. 1, Authorizing the Commissioner of the General Land Office to permit the United States Forest Service, now engaged in the reforestation and conservation of the pine forests of East Texas, to make examinations of the records of the General Land Office free of charge, and to compile such sketches as may be required for a resurvey of the areas involved, and that the Commissioner of the General Land Office be required to furnish copies of such patents as may be required to pass title to lands within the reforestation areas, all of which said work to be done under the supervision of the

Commissioner of the General Land Office; provided, that the employees of the United States Forest Service be subject to the rules and regulations of the Land Office, and the pains and penalties of the Penal Statutes controlling its operations.

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, and be not printed.

WOODRUFF, Chairman.

Committee Room,

Austin, Texas, August 30, 1934.

Hon. Edgar E. Witt, President of the Senate.

Sir: We, your Committee on Governor's Nominations, to whom was referred the following appointments, have had same under consideration, and I, as chairman of said committee, am instructed to report same back to the Senate with the recommendation that they be in all things confirmed:

To be district judge of the Seventy-ninth Judicial District of Texas: Hon. L. Broeter of Jim Wells County, Texas, to fill the unexpired term of Judge Hood Boone, resigned.

To be county attorney of the Seventy-ninth Judicial District of Texas: Hon. Frank B. Lloyd of Jim Wells County, Texas, to fill the unexpired term of Hon. L. Broeter, resigned.

MARTIN, Chairman.

Adopted, August 30, 1934.

BOB BARKER,

Secretary of the Senate.

Committee Room,

Austin, Texas, August 30, 1934.

Hon. Edgar E. Witt, President of the Senate.

Sir: We, your Committee on Governor's Nominations, to whom was referred the following appointment, have had same under consideration, and I, as chairman of said committee, am instructed to report same back to the Senate with the recommendation that said appointment be in all things confirmed:

To be member of the Board of Pardons and Paroles: Hon. Fred S. Rogers of Fannin County, Texas, to fill the unexpired term of Frank V. Lanham, resigned.

MARTIN, Chairman.

Committee Room,
Austin, Texas, August 29, 1934.
Hon. Edgar E. Witt, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred

H. C. R. No. 3, Extending an invitation to the Hon. William McCraw, Democratic nominee for Attorney General of Texas, to address the House of Representatives and Senate in joint session either at the time that the Honorable James V. Allred, Democratic nominee for Governor of Texas, addresses such joint session, or at such time as may be convenient to Mr. McCraw.

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, with committee amendment, and be printed in the Journal.

HOPKINS, Chairman.

Committee Amendment.

Amend H. C. R. No. 3, by inserting after the word "Texas" in the third line thereof the following: "and the Hon. Walter Woodul, Democratic nominee for Lieutenant Governor of Texas," and by striking out the word "is" in the fourth line and inserting in lieu thereof the words "they are."

By Long, Kayton, H. C. R. No. 3.
Savage.

Be it Resolved, by the House of Representatives, the Senate of the State of Texas concurring, That the Hon. William McCraw, Democratic nominee for Attorney General of Texas be, and is hereby, invited to address the House of Representatives and Senate in joint session either at the time that the Hon. James V. Allred, Democratic nominee for Governor of Texas, addresses such joint session, or at such time that may be convenient to Mr. McCraw.

Committee Room,
Austin, Texas, August 30, 1934.
Hon. Edgar E. Witt, President of the Senate.

Sir: We, your Committee on Mining, Irrigation and Drainage, to whom was referred

S. B. No. 3, A bill to be entitled "An Act creating Colorado River Authority, a governmental agency, body politic and corporate, as a wa-

ter control and conservation district under Section 59 of Article 16 of the Constitution, etc., and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed in the Journal.

REGAN, Vice-Chairman.

By Senators Hornsby, S. B. No. 3.
Holbrook, Stone,
Woodruff, Regan,
Duggan, Moore,
Small, Murphy,
Pace, Patton, Redditt, Parr, Martin, Beck, Sanderford, Woodul, Poage, Neal, Greer, Hopkins, and Woodward.

A BILL

To Be Entitled

An Act creating Colorado River Authority, a governmental agency, body politic and corporate, as a water control and conservation district under Section 59 of Article 16 of the Constitution, for the purposes therein set out, without power of taxation, and without power to create any debt payable out of taxation, or to pledge the credit of the State; defining the powers thereof; the purposes, powers and authority of said district, authorizing the storing, controlling, conservation and distribution of the waters of the Colorado River and its tributaries, for irrigation, domestic, industrial and municipal uses, and the development, generation, distribution and sale of water power and electric energy, with authority to make contracts, leases and agreements; providing for the preservation of the priority of existing water rights and control by the State Board of Water Engineers over the use of water by said district; providing for a board of directors to manage the affairs of said district, under the control of the State Board of Water Engineers, and for the selection of a secretary, general manager, engineers, attorneys, and other agents and employees; setting out the domicile of said corporation and providing for the keeping of records thereof; pro-

viding for acquiring, constructing, maintaining, and operating of all necessary properties, lands, rights, easements and improvements, and conferring the authority of eminent domain; authorizing such district to borrow money and to issue obligations in payment of money borrowed or of property acquired, and prescribing the terms and conditions of the issuance of such obligations and the pledging of the property and income of the district to secure the payment thereof; prescribing all necessary details; providing that if any of the provisions of this Act shall be invalid, the validity of the other provisions thereof shall not be affected; and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. That there shall be and is hereby created a Conservation and Reclamation District by the name of "Colorado River Authority," which district is created as a governmental agency, body politic and corporate, vested with all the authority as such under the constitution and laws of the State of Texas; and which shall have and be recognized to exercise all of the powers of such governmental agency and body politic and corporate as are expressly authorized in the provisions of the constitution, Section 59 of Article 16, for districts created to conserve, store, control, preserve, utilize and distribute the storm and flood waters and the waters of the rivers and streams of the State of Texas, and such powers as may be contemplated and implied by the purposes of this provision of the constitution, and as may be conferred by general law on districts and corporations created thereunder, as well as by the provisions of this Act, except nothing herein contained shall authorize said district to levy any taxes or special assessments; or to create any debt payable out of taxation, or to in any way pledge the credit of the State; and said district shall have and be recognized to exercise all the rights and powers of an independent governmental agency, body politic and corporate, to construct, maintain and operate, in the valleys of the Colorado River and its tributaries, within or without the boundaries of such district, any and

all works deemed essential to the operation of the district and for its administration in the control, storing, preservation and distribution to all useful purposes of the waters of the Colorado River and its tributaries, including the storm and flood waters thereof, and the water power and electric energy developed therefrom; and such district shall have and be recognized to exercise such authority and power of control and regulation over such waters of the Colorado River and its tributaries as may be exercised by any water control and conservation district, or other district, or body politic created under general law, subject to the provisions of the Constitution and the Acts of the Legislature.

Sec. 2. Pursuant to the constitutional mandate, said district is created within the State of Texas, and the State is divided and redistricted so that in addition to all other districts into which the State has heretofore been divided, said Colorado River authority district shall be that part of the State of Texas consisting of the counties of Burnet, Llano, Travis, Bastrop, Fayette, Colorado, Wharton, San Saba and Matagorda.

Sec. 3. The said district shall have and be recognized to exercise, in addition to the hereinbefore mentioned powers, for the conservation and beneficial utilization of said waters, the power of control and employment of such waters of the Colorado River and its tributaries, including the storm and flood waters thereof, in the manner and for the particular purposes hereinafter set forth:

(a) To provide through practical and legal means for the control and coordination of the regulation of the waters of the Colorado River and its tributary streams.

(b) To provide by adequate organization and administration for the preservation of the equitable rights of the people of the watershed area in the beneficial use of the waters of the Colorado River and its tributary streams.

(c) For storing, controlling and conserving the waters of the Colorado River and its tributaries within and without such district, and the prevention of the escape of any of such waters without the maximum of public service; for the prevention of damages to lands and property

from recurrent overflows, and the protection of life and property in such district from uncontrolled flood waters.

(d) For the conservation of the waters of the Colorado River and its tributaries essential for the domestic uses of the people of the district, including all necessary water supplies for cities and towns.

(e) For the irrigation of all lands in said district and lands without said district where irrigation is required for agricultural purposes, or may be deemed helpful to more profitable agricultural production; and for the equitable distribution of said waters to the regional potential requirements for all uses, domestic, city supply, mining, manufacturing, irrigation and the development of power. All plans and all works provided by said district shall have primary regard to priority of uses provided by general law.

(f) To control and make available said waters for improvement in the development of commercial and industrial enterprises in all sections of the district.

(g) For the purpose of reforesting the watershed of the Colorado River and its tributaries and the conservation of the soils thereof against destructive erosion and thereby preventing the increased flood menace incident thereto.

(h) For the control, storing and employment of said waters in the development, generation, and distribution of electric power, within and without the district, where such use may be economically coordinated with other and superior uses, and subordinated to the uses declared by law to be superior.

(i) And for each and every purpose for which the waters of said river and its tributaries, including the flood and storm waters when controlled and conserved, may be utilized in the performance of a useful service as contemplated and authorized by the provisions of the constitution and the public policy therein declared.

(j) To purchase and construct all works necessary or convenient for the exercise of the powers and to accomplish the purposes specified in this act, and to purchase or otherwise acquire all lands and other

property necessary or convenient for carrying out any such purposes.

(k) The right of eminent domain is expressly conferred upon such district to enable it to acquire the fee simple title to, or easement or right-of-way over and through any and all lands, water, or lands under water, existing works or other property, private or public, within and without such district, necessary or convenient to carry out any of the purposes and powers conferred upon such district by this Act; and in the exercise of such right shall have the right to institute and prosecute such condemnation proceedings in the name of the district as might be instituted and prosecuted by any water control and conservation district, or other public district created under general law, and as provided by general law for such districts created under the provisions of the constitution aforesaid, and in conformity with the provisions of the constitution aforesaid, and in conformity with the provisions of any statutes governing condemnation proceedings by any such district or private corporation so created by general law; it being the intention that said district may, at its election, proceed either under the provisions of the general condemnation statutes or the statutes relating to condemnation by water control and conservation districts or other districts created by general law; and said district shall have the right to over flow and inundate any public lands and public property, and to require the relocation of roads and highways to the extent and in the manner conferred on water control and conservation districts and all other districts and private corporations created by general law under the provisions of the constitution above set out.

(l) Such district through its board of directors shall have the right to employ managers, engineers, attorneys, and all necessary agents and employees necessary and convenient for the exercise of the powers herein conferred and to carry out the purposes of this act, and to pay reasonable compensation therefor.

(m) Such district, in addition to the powers herein specifically set out, shall have general power and authority to make and enter into all contracts, leases and agreements necessary or convenient to carry out any

of the powers granted in this Act, which contracts, leases, and agreements may be entered into with any person, real or artificial, any corporation, public or private, municipality, and any government or governmental agency, including the United States Government and the State of Texas; provided, however, that nothing herein contained shall authorize the assumption by such district of any obligation requiring payment out of taxes.

(n) Such district shall have the right to contract, and to sue, and be sued, in its name.

(o) The enumeration of powers herein shall not exclude any other power which might properly be exercised to carry out the purposes of this Act.

Sec. 4. Nothing in this Act shall be construed as affecting any existing rights or existing priority in the rights to water from the source of supply, but all such rights existing at the time of the formation of such district shall be preserved; and before such district shall have the right to impound, divert, or use any of the waters of the Colorado River or its tributaries, it shall acquire the right thereto by permit from the Board of Water Engineers of the State of Texas, as provided by general law for those desiring to appropriate public waters; provided, that said district shall have the right to purchase or otherwise acquire the right to appropriate from any other district, corporation, public or private, or any individual or individuals, holding such right of appropriation by law; it being the intention hereof that the right to appropriate and use any of the waters of the said Colorado River and its tributaries by said district may be acquired only through permit issued by the Board of Water Engineers of the State of Texas, or through acquisition from the holder of a legal right thereto, and that the use thereof shall be under the continual control and supervision of said State Board of Water Engineers.

Sec. 5. The management and control of all of the affairs of such district, except such as are in this Act vested in the Board of Water Engineers, and as may be vested in officers, engineers, attorneys, and agents of the district, shall be vested

in a board of directors, consisting of nine members, all of whom shall be freehold property tax payers of said district and residents therein. The county judge of each of the counties composing said district shall within ten days from the taking effect of this Act appoint one member of said board of directors. The member so appointed by each county judge shall submit the name of his appointee to the Board of Water Engineers who shall within five days after being furnished with the name of such appointee either confirm or reject such appointment, and in the event of rejection, another director shall be appointed by said county judge in lieu of the one rejected, who shall likewise be confirmed or rejected. Immediately upon appointment and confirmation of six or more members of said board, the members thereof shall meet in the office of the Board of Water Engineers, and shall draw for terms, three of said board to draw for a term of office for two years, three for a term of four years, and three for a term of six years, and upon the expiration of the respective terms of office of said directors, the successors of each and all of them shall be appointed and confirmed in the manner hereinbefore set out for a term of six years thereafter. The directors shall hold office upon their appointment and qualification until their successors shall be appointed and qualified, unless sooner removed by a two-thirds vote of the State Board of Water Engineers. Should any vacancy occur in the Board of Directors, the same shall be filled in like manner as hereinabove provided for the original appointments. The directors shall qualify by taking the official oath of office prescribed by general statute. The directors of the district shall organize by electing one of their members chairman, and one vice-chairman. Five directors shall constitute a quorum at any meeting and a concurrence of a majority of those present shall be sufficient in all matters pertaining to the business of the district. The board of directors shall select a secretary, who shall be charged with the duty of seeing that all records and books of the district are properly kept. In case of the absence or inability of such secretary to act, a secretary pro

tem., shall be selected by the directors.

Sec. 6. The directors shall have authority to adopt a seal, and to adopt by-laws providing for the time and place of regular meetings, and the manner and method of calling special meetings and giving notice thereof; providing for the selection of a general manager and delegation to him of any such duties and powers as the board may desire to confer upon such general manager, in addition to those powers prescribed herein.

Sec. 7. A general manager shall be selected by the board of directors, who shall be the general executive officer of the district, and said board of directors shall also select a chief engineer and general attorney, all subject to the approval of the State Board of Water Engineers. Such officers shall conduct all of the business of the corporation and shall have full authority in the management and operation of the district, subject only to the orders of the State Board of Water Engineers. The term of office and compensation to be paid to such officers shall be fixed by the board of directors, subject to the approval of the State Board of Water Engineers, and all such officers may be removed by the board of directors, subject to the approval of the Board of Water Engineers. The compensation of all other employees and agents shall be fixed by the general manager, subject to the approval of the Board of Water Engineers.

Sec. 8. The general manager, on approval of the Board of Water Engineers, may enter into contracts in the name of the district, make agreements binding on the district, and generally manage all of the affairs of the district, provided only that all construction contracts, contracts for the sale of land and sale of water shall be approved by the State Board of Water Engineers, and approved as to form by the engineer and general attorney of the district; and, provided further, that the sale of all or a major portion of the property of the district, and the mortgaging or encumbering thereof, the issuance of bonds, notes or other negotiable instruments of indebtedness of the district shall only be valid when authorized by a vote of a ma-

jority of the members of the board of directors.

Sec. 9. The board of directors shall provide for bonds to be given by the general manager and other officers and employees of the district into whose hands any funds of the district shall come or be paid, which bonds shall be executed by a surety company authorized to do business in the State, as surety thereof; and the district shall be authorized to pay the premiums on such bonds.

Sec. 10. The directors shall receive as fees of office a sum of not to exceed Ten (\$10.00) Dollars per day for each day spent in attending meetings of the board, plus their necessary traveling expenses and hotel bills, provided such fees are fixed by a vote of the board of directors. They shall file with the secretary a verified statement showing the actual number of days of service each month on the last day of each month, or as soon thereafter as possible, and before a warrant shall be issued therefor. The directors may also provide for compensation to be paid the members of the State Board of Water Engineers for services rendered by them to the district, provided the compensation paid the members of such board shall not exceed the sum of Two Thousand (\$2,000.00) Dollars per annum to each member thereof, and any such sum shall be in addition to the salary and compensation now provided by law for the members of said board.

Sec. 11. The domicile of the district is fixed at Austin, Travis County, Texas, where the board shall maintain a regular office in charge of its general manager, who shall cause to be kept a true and correct account of all proceedings, and preserve all contracts, records, notes, accounts, receipts and records of all kinds, the same to be the property of the district. The monies of the district shall be disbursed only on checks signed by the general manager and countersigned by the secretary, both of whom shall give bond in such amount as may be fixed by the board of directors and approved by the Board of Water Engineers for the faithful performance of their duties and correct accounting of all funds passing through their hands.

Sec. 12. The board of directors

shall, subject to the approval of the Board of Water Engineers, prescribe fees and charges to be collected for the use of water, water connections, power, electric energy or other service, which fees and charges shall be reasonable and equitable, and from the revenues of the district there shall be paid:

(1) All expenses necessary to the operation and maintenance of the improvements and facilities of said district. Such operating and maintenance expenses shall include (without excluding any expenses not here enumerated) the cost of the acquisition of properties and materials necessary to maintain said improvements and facilities in good condition and to operate them efficiently, necessary wages and salaries of the district, and such other expenses as may be reasonably necessary to the efficient operation of said improvements and facilities.

(2) The annual or semi-annual interest upon any obligations issued hereunder payable out of the revenues of said improvements and facilities.

(3) The amount required to be paid annually into the sinking fund for the payment of any obligations issued hereunder payable out of the revenues of said improvements and facilities.

(4) After applying the revenues of the district for the purposes listed in the above sub-paragraphs (1), (2) and (3), and to the establishment of a reasonable depreciation and emergency fund, any excess may be applied by the Board of Directors to the cost of improvements and replacements not covered by said sub-paragraph (1).

It is the intention of this Act that the fees and charges of such district shall not be in excess of what may be reasonably necessary to fulfill the obligations imposed upon said district by this Act; and any surplus remaining shall be paid into the General Fund of the Treasury of the State of Texas. The board of directors shall cause an annual audit to be made of the books of account and financial records of the district, and file one copy thereof with the Board of Water Engineers and one copy with the State Treasurer, and shall pay into the General Fund of the State Treasury any surplus funds

hereinabove provided to be so paid. Such payment shall be made as soon after the end of the fiscal year, as the audit can be completed, which fiscal year of the district shall be fixed by the Board of Water Engineers; and the terms of office of the directors of the district shall be determined by the fiscal year.

Sec. 12A. Said district shall have and may exercise such functions, powers, authority, rights and duties as may permit the accomplishment of the purposes for which it is created, including investigating and planning, acquiring, constructing, maintaining and operating of all necessary properties, lands, rights, tenements, easements, improvements, reservoirs, dams, canals, laterals, plants, works and facilities which it may deem necessary or proper for the accomplishment of said purposes, including the acquisition within and/or without said district of lands, rights of way, water rights, and all other properties, tenements, easements and all other rights incident, helpful to or in aid of carrying out the purposes of said district as herein defined; and this Act in all of its terms and provisions shall be liberally construed to effectuate each and all of the purposes thereof.

Sec. 13. Said district may accept grants and borrow money from the Federal Emergency Administration of Public Works of the United States or from any other source, and in evidence thereof may issue the notes, warrants, certificates of indebtedness or other forms of obligations of such district, payable solely out of the revenues to be derived from said improvements and facilities and the operations and services thereof, and may also issue such obligations in exchange of, or in payment for property.

Sec. 14. Each issue of obligations authorized hereunder shall constitute a separate series and shall be appropriately designated. Such obligations shall not constitute an indebtedness or pledge of the credit of such district, shall never be paid in whole or in part out of any funds raised or to be raised by taxation, and shall contain a recital to that effect. All obligations issued hereunder shall be in registered or coupon form and if in coupon form may be registerable as to principal only, or

as to both principal and interest, shall bear interest at a rate not to exceed six per cent per annum, payable annually or semi-annually, and shall be in such denominations and shall mature serially or at one time not more than fifty years from their date in such manner as may be provided by the board of directors. Principal of and interest on such obligations shall be made payable at any place or places within or without the State of Texas and in the discretion of the board of directors, such obligations may be made redeemable at the option of said board prior to maturity at such premium or premiums as the board shall determine. Such obligations shall be signed by the chairman and secretary of the board of directors, and the interest coupons attached thereto may be executed with the facsimile signatures of such officers. Such obligations shall be sold in such manner and at such time as the board of directors shall determine to be expedient and necessary to the interests of the district, provided, that in no event shall such obligations be sold for a price which will result in an interest yield therefrom of more than six per cent computed to maturity according to standard bond tables in general use by banks and insurance companies. In the event any of the officers whose signatures are on such obligations or coupons shall cease to be such officers before the delivery of such obligations to the purchaser, such signature or signatures, nevertheless, shall be valid and sufficient for all purposes. All obligations issued hereunder shall constitute negotiable instruments within the meaning of the Negotiable Instruments Law.

Sec. 15. Any obligations issued hereunder may be issued payable from and secured by the pledge of all the revenues derived from the operation of the improvements and facilities of the district, exclusive of any revenues derived from taxation or assessments, or may be payable from and secured by the pledge of only such revenues as may be derived from the operation of the improvements and facilities acquired with the proceeds of the sale of such obligations, or may be payable from and secured by the pledge of a specified part of the revenues de-

rived from the operation of the improvements and facilities of the district, all as may be provided in the proceedings authorizing the issuance of such obligations. If more than one series of obligations shall be issued under the provisions of this Act payable from and secured by identical revenues, priority of lien against such revenues shall depend on the time of delivery of such obligations, each series enjoying a lien against such revenues prior and superior to that enjoyed by any other series of obligations subsequently delivered, provided, however, that as to any issue or series of obligations which may be authorized as a unit but delivered from time to time in blocks, the board of directors may in proceedings authorizing the issuance of such obligations provide that all of the obligations of such series or issue shall be co-equal as to lien regardless of the time of delivery.

Sec. 16. Any resolution or order authorizing the issuance of obligations under the provisions hereof shall provide for the creation of a sinking fund into which shall be paid from the revenues pledged to the payment of such obligations from month to month as said revenues are collected, sums fully sufficient to pay principal of and interest on such obligations. The money in such sinking fund shall be applied solely to the payment of interest on the obligations for the payment of which such fund is created and for the retirement of said obligations at or prior to maturity in the manner herein provided. The board of directors may at the time obligations are authorized hereunder provide that all money in such sinking fund in excess of the amount required for the payment of interest on and principal of such outstanding obligations for such period as it may determine shall be expended once each year pursuant to its order in the purchase of obligations for the account of which such sinking fund has been accumulated, if any such obligations can be purchased at a price which shall seem reasonable to the board, and may provide that in the event such obligations contain an option permitting retirement prior to maturity then such excess sums shall be paid out as aforesaid for the purchase

of such obligations, but that if the board shall be unable to so purchase sufficient obligations of said issue to absorb all such surplus it shall call for redemption a sufficient amount of such obligations to absorb so far as practicable the entire surplus remaining in said sinking fund. It may be provided that any excess in the sinking fund which can not be applied to the purchase or redemption of obligations shall remain in said sinking fund to be used for payment of principal or interest when due, or for the subsequent call of obligations for purchase or redemption in the manner above provided.

Sec. 17. Any resolution or order authorizing the issuance of obligations hereunder may contain such covenants with the holders of the obligations as to the management and operation of said improvements and facilities, collection of fees and charges for the use thereof, disposition of such fees and charges, issuance of future obligations and creation of future liens, mortgages and encumbrances against said improvements and facilities, and the revenues thereof and other pertinent matters, as may be deemed necessary to insure the marketability of said obligations, provided such covenants are not inconsistent with the provisions of this Act.

Sec. 18. Any resolution or order authorizing the issuance of obligations hereunder shall provide that the revenues from which such obligations are to be paid and which are pledged to the payment of such obligations shall from month to month as the same shall accrue and be received, be set apart and placed in the sinking fund and disbursed in the manner hereinabove provided. In fixing and determining the amount of revenues which shall be so set aside, the board of directors shall provide that the amount to be set aside and paid into said fund in any year or years shall be not less than a fixed sum, which sum shall be at least sufficient to provide for the payment of the interest on and principal of all obligations maturing and becoming payable in each such year, together with a surplus or margin of ten per cent in excess thereof.

Sec. 19. Any holder of obligations issued hereunder or of coupons originally attached thereto, may

either at law or in equity, by suit, action, mandamus, or other proceeding, enforce and compel performance of all duties required by this Act to be performed by the board of directors, including the making and collecting of reasonable and sufficient fees or charges for the use of the improvements and facilities of the district, the segregation of the income and revenues of such improvements and facilities, and the application of such income and revenues pursuant to the provisions of this Act. If there be any default in the payment of the principal or interest on any of such obligations, the holders of 25% or more in amount thereof shall be entitled to have an administrator or receiver appointed by any court having jurisdiction to administer and operate the improvements and facilities, the revenues of which are pledged to the payment of such obligations, in behalf of the district and the holders of such obligations, with power to fix and collect fees and charges sufficient to provide for the payment of operation and maintenance expenses as hereinabove defined, and to pay any obligations or interest coupons outstanding payable from the revenues of such improvements and facilities, and to apply the income and revenues thereof in conformity with the provisions of this Act and the proceedings authorizing the issuance of said obligations.

Sec. 20. As additional security for the payment of any obligations issued hereunder, the board of directors may in its discretion have executed in favor of the holders of such obligations an indenture mortgaging and encumbering the improvements, facilities and properties acquired with the proceeds of the sale of such obligations, and/or all of the improvements facilities and properties of the district, and may provide in such encumbrance for a grant to any purchaser or purchasers at foreclosure sale thereunder of a franchise to operate such improvements, facilities and properties for a term of not over fifty years from the date of such purchase, subject to all laws regulating same then in force. Any such indenture may contain such terms and provisions as the board of directors shall deem proper and shall be enforceable in the manner pro-

vided by the laws of Texas for the enforcement of other mortgages and encumbrances. Under any sale ordered pursuant to the provisions of such mortgage or encumbrance, the purchaser or purchasers at such sale, and his or their successors or assigns, shall be and hereby are vested with a permit and franchise to maintain and operate the improvements, facilities and properties purchased at such sale with like powers and privileges as may theretofore have been enjoyed by the district in the operation of said improvements, facilities and properties. The purchaser or purchasers of such improvements, facilities and properties at any such sale, and his or their successors and assigns, may operate said improvements, facilities and properties as provided in the last above sentence or may at their option remove all or part of said improvements, facilities and properties for diversion to other purposes. Any statutes of the State of Texas pertaining to the granting of franchises shall not be applicable to the authorization or execution of any mortgage or encumbrance entered into pursuant to the provisions of this Act, nor to the granting of any franchise hereunder.

Sec. 21. The proceeds of the sale of any obligations issued hereunder may be deposited in such bank or banks as may be agreed upon between the purchaser at such sale and the board of directors, and may be deposited and paid out pursuant to such terms and conditions as may be so agreed upon, it being expressly provided that the statutes of Texas pertaining to the deposit of the district funds in the depository of such district shall not be applicable to the deposit of the proceeds of such sale. Any part of the proceeds of the sale of obligations issued hereunder which may remain unexpended after the project for which the obligations were authorized has been completed, and interest during construction has been paid, may be paid into the sinking fund for the payment of said obligations and be used only for the payment of principal of such obligations, or for the purposes of acquiring such outstanding obligations by purchase in the manner hereinabove provided.

Sec. 22. The board of directors is authorized to enter into an agree-

ment or agreements with the purchaser or purchasers of any obligations issued hereunder under the terms of which such board shall agree to keep all of the improvements and facilities, the revenues of which are pledged to the payment of such obligations, insured with insurers of good standing against loss or damage by fire, water or flood, and also from any other hazards customarily insured against by private companies operating similar properties, and to carry with insurers of good standing such insurance covering the use and occupancy of such property as is customarily carried by such private companies. The cost of such insurance shall be budgeted as maintenance and operation expense and such insurance shall be carried for the benefit of the holders of such obligations, as their interests may appear.

Sec. 23. Any obligations issued pursuant to the provisions of this Act shall be exempt from taxation by the State of Texas or by any municipal corporation, county, or other political subdivision of taxing district of the State.

Sec. 24. Such district issuing obligations under the provisions hereof may thereafter authorize and issue its refunding obligations on such terms as its board of directors may deem advisable for the purpose of providing for the retirement of any such outstanding obligations, either due or to become due, which refunding obligations may be either exchanged for like par amounts of such outstanding obligations or may be sold and the proceeds of the sale so applied. Any refunding obligations authorized and issued pursuant hereto shall be subject to the provisions of this Act pertaining to the issuance of other obligations and shall be secured in all respects to the same extent and be payable from the same revenues as were the obligations refunded thereby.

Sec. 25. This Act, without reference to other statutes of the State of Texas, shall constitute full authority for the authorization and issuance of obligations hereunder and for the accomplishment of all things herein authorized to be done, and no proceedings relating to the authorization or issuance of such obligation or the doing of such things shall

be necessary except such as are herein required, and neither the Bond and Warrant Law of 1931 or any other provisions of the laws of the State of Texas pertinent to the authorization or issuance of obligations, the operation and maintenance of such improvements and facilities, the granting of franchises or permits, the right to elections or referendum petitions, or in anywise impeding or restricting the carrying out of the acts authorized to be done hereunder, shall be construed as applying to any proceedings and hereunder or acts done pursuant hereto.

Sec. 26. If any paragraph, clause or provisions of this Act shall be held unconstitutional, the validity of the other provisions of this Act shall not be affected thereby, but shall remain in full force and effect.

Sec. 27. The importance of this legislation to the section of the State affected thereby creates an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days be and the same is hereby suspended, and that this Act shall take effect and be in force from and after its passage, and it is so enacted.

FIFTH DAY.

Senate Chamber,
Austin, Texas.
August 31, 1934.

The Senate met at 10 o'clock a. m., pursuant to adjournment, and was called to order by Lieutenant Governor Edgar E. Witt.

The roll disclosed a quorum, the following Senator being present:

| | |
|-----------|-------------|
| Beck. | Pace. |
| Blackert. | Parr. |
| Collie. | Patton. |
| DeBerry. | Poage. |
| Duggan. | Purl. |
| Greer. | Rawlings. |
| Holbrook. | Redditt. |
| Hopkins. | Regan. |
| Hornsby. | Sanderford. |
| Martin. | Small. |
| Moore. | Stone. |
| Murphy. | Woodruff. |
| Neal. | Woodul. |
| Oneal. | |

Absent—Excused.

Cousins. Woodward.
Fellbaum.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with, on motion of Senator Stone.

Committee on Engrossed Bills.

(See Appendix.)

Bills and Resolutions.

S. C. R. No. 5.

Senators Duggan and Regan sent up the following resolution.

Whereas, At the First Called Session of the Forty-third Legislature an appropriation of \$500,000 was made to pay what was known as Pink Boll Worm claims; and,

Whereas, The Pink Boll Worm Commission has considered and approved many of such claims and authorized their payment; and,

Whereas, The Legislators desire to be advised fully as to the expenditures of said appropriation; therefore, be it

Resolved, by the Senate, the House of Representatives concurring, That the Pink Boll Worm Commission and the Department of Agriculture submit to the present called session of the Legislature a full and complete report of the handling of such funds, going into every detail thereof, giving the total amount of claims considered, the amounts approved in full and by counties, the cost of administration and the amount of the appropriation not expended.

DUGGAN.
REGAN.

By unanimous consent S. C. R. No. 5 was considered without reference to a committee. The resolution was adopted.

Senators Excused.

Senator Stone moved that Senator Fellbaum be excused for the day on account of illness.

Senator Patton asked that Senator Cousins be excused for the day on account of illness in the family.

Committee of the Whole.

Senator Beck at 10:10 o'clock a. m. moved that the time had arrived for the Senate to resolve itself